

2004 ZIP Code SALES ALONG THE WASATCH FRONT (Salt Lake, Utah, Davis & Weber Counties)

Data Description

The Tax Commission has provided analysis of direct, taxable sales by ZIP Code and by industry since 1987. "Direct" sales are those sales that can be identified to an outlet in a specific municipality, as compared to out-of-state use tax, where there is no municipal identification.

This is the twelfth year that this report has listed ZIP Code sales data for Utah, Davis and Weber counties, in addition to the various retail areas in Salt Lake County. However, due to budget constraints the **three- and four-digit Standard Industrial Classification (SIC) codes (what we term "Detailed" industry codes)** will not be printed here. They will be available on our website at:

tax.utah.gov/esu/sales

The advantages of analyzing ZIP Code data are twofold:

- First, the direct sales data by ZIP Code is classified into nearly 200 industries using **three- and four-digit Standard Industrial Classification (SIC) codes**. Thus, the data in this report are much more specific than our quarterly reports, which break down sales into only 29 "Major" industry categories.
- Second, in order for marketing analysts to establish a "benchmark," direct sales on a "Detailed" Industry basis for each county is also available on our website. With the countywide sales as a denominator and this report's ZIP Code's sales on top as the numerator, one can calculate market shares, location quotients and county sales "gaps."

There are some caveats about the information in this report. Since some taxpayers do not always provide accurate ZIP Code information, ZIP Code sales in Salt Lake County at \$14.8 billion were lower than Salt Lake County total taxable sales (\$16.6 billion) by 10.8 percent in 2004. Prior to 1999, ZIP Code sales with '84' (Utah) prefixes amounted to almost 93 percent of all sales. ZIP Code sales appear to be less complete than they were in recent years. **Also, in 2004, more than \$1 billion in utility sales, formerly reported from head offices in east downtown Salt Lake City (84111), were distributed to their various locales, leaving the 84111 ZIP Code substantially lower than previous years.**

2004 Retail Hot and Cold Spots

Salt Lake City area Zip Code direct sales fell 14.7 percent in 2004 (Table 1). This was due in large part to the 65 percent drop in East Downtown's (84111) reported utility sales, which were distributed out to local ZIP Codes. Peak sales in the Salt Lake City ZIP Code areas occurred in 2000, when businesses reported \$5.45 billion in direct sales. The sales declines in 2001 and 2002 were probably due to the U.S. recession that began in the spring of 2001 and was exacerbated by the 9/11 attacks on America. For calendar year 2004, in *Salt Lake City* significant changes in sales occurred in the following ZIP Code areas:

1) Rose Park/Airport (84116), up \$445 million (76 percent) to \$1.03 billion in 2004. Some Telephone (up \$132 million) and Electric companies (up \$245 million) shifted sales from East Downtown (84111) to the west side. Adjusting out these shifts, we estimate that sales in 84116 rose 12 percent from \$585 million in 2003 to \$653 million in 2004. Even though there was one less grocery store in 2004 in 84116, Grocery store sales were cut in half. Rose Park Hotel sales were up 7 percent to \$37 million. Strong construction pushed up sales in Miscellaneous Equipment and Rentals to \$20 million, up 61 percent. Likewise, Stone, Clay and Glass Manufacturers' sales rose to \$22 million from \$16 million in 2003 (Table 1).

2) Sales in West Downtown (84101) were up this year by \$26 million (3.2 percent) to \$836 million. More than 1/4th of the sales in this ZIP Code come from two sectors: New Car Dealer sales and Hotel sales. New Car Dealer sales and services were up nearly 7 percent in 2004 to \$109 million. Hotel sales and services were flat in 2004 at \$117.6 million. Eating and Drinking place sales fared well in 2004 in 84101. Family Restaurant sales were up 13 percent to \$39 million and Fast-Food store sales were up 14 percent. Sales in 84101 have declined here at a 1.8 percent compounded annual rate since 1999. This seems surprising given the addition of the Gateway Mall.

3) Westside (84104) sales were up 25.4 percent to \$767 million in 2004. Retail lumber store sales surged 227 percent to \$73 million. Wholesale Machinery and Equipment store sales rose 37 percent to \$130 million. Auto rentals were up 20 percent at \$12 million.

4) Sales fell nearly 15 percent in the Foothill ZIP Code (84108) to \$153 million. Here too only two sectors comprise almost 50 percent of total sales. Grocery store sales at \$45 million were up 7 percent in 2004. Education services were up 11 percent to almost \$27 million. Pulling this ZIP Code's sales down was the Nondisclosable category where sales fell from \$58 million in 2003 to \$34.6 million in 2004.

Central Valley sales (those south of Salt Lake City and north of Sandy) rose 8.4 percent in 2004, bouncing back from three consecutive declines in 2001 through 2003. At \$6.2 billion sales in the Central Valley were the largest of any other major ZIP Code area along the Wasatch Front. In the *Central Valley*, significant changes occurred in the following areas:

- 1) Following three consecutive declines, sales in the largest Central Valley trade area, South Salt Lake (84115), rose 10 percent in 2004 to \$1.59 billion. This was the largest current dollar amount for 84115 since we have been tracking ZIP Code sales. Final sales by wholesalers appeared to increase in 2004. Wholesale Lumber sales were up 7 percent to \$78 million, Wholesale Hardware final sales were up 7 percent to \$103 million and Wholesale Machinery and Equipment sales were up 4 percent to \$90 million in 2004. Retail Lumber sales were up nearly 10 percent to \$171 million, while Department store sales rose 34 percent to \$159 million. Retail Furniture stores sales jumped 36 percent to \$72 million in 84115.
- 2) Sales in Murray (84107), the second largest trade area in the Central Valley, rose 5.9 percent in 2004 to \$1.44 billion. In 2003, a major discount department store moved from Midvale in the middle of the year, pushing up Department store sales 48 percent to \$211 million. Department store sales rose another 13 percent in 2004, with that store in place for a full year. New Car dealer sales rose 6 percent to \$316 million in 84107 during 2004. Family Clothing store sales rose 8 percent to \$71 million. Restaurant sales also appeared to fare well. Sporting Goods and Bicycle store sales more than doubled from \$9 million in 2003 to almost \$21 million in 2004 with five fewer stores reporting sales.
- 3) Soft pockets of sales were evident in the east side of the Central Valley. Holladay sales rose 0.6 percent (84117) to \$287 million. Northeast Holladay (84124) sales (\$63 million) rose 1.8 percent. Millcreek (84109) sales fell for the third year in a row to \$185 million.
- 4) Sales in West Valley (84120) were up by \$82 million (13 percent) to \$703 million. Even though Department store sales were down 3 percent in 2004, New Car Dealer sales rose almost 14 percent to \$102.5 million. Even the normally languishing Grocery store sector fared well in 2004; sales rose 9 percent to \$56 million.
- 5) East West Valley (84119), a much larger trade area than 84120, also reported a sales gain of 13 percent at \$1.1 billion. Increases in residential and nonresidential building, as well as business purchases of new equipment pushed up sales in several Wholesale Trade categories: Professional and Commercial Equipment final sales jumped from \$20 million to \$45 million in 2004, Electrical Goods sales rose 50 percent to \$79 million, and Machinery and Equipment final sales rose 16 percent to \$68 million. Department store sales rose 4 percent to \$100 million and New Car Dealer sales rose 3 percent to \$130 million in 84119 during 2004.

South Valley generated a 6.8 percent gain for its eleven ZIP Code sales in Salt Lake County in 2004. Six of the eleven ZIP Code areas produced double-digit gains in 2004, three reported sales between 5 and 10 percent, and two ZIP Codes reported declining sales. Significant changes occurred in the following areas:

- 1) Draper (84020) saw sales rise 20 percent to \$371 million. Sales from Manufacturing's Stone, Clay and Glass producers jumped 55 percent to almost \$39 million in 2004.

Another construction-related sector, Retail Lumber stores, reported a sales increase of 180 percent to \$10 million in 2004. Sales at Grocery stores fell 2.4 percent to \$54 million, while those at Fast-Food Eating Places rose 14 percent to \$14 million.

2) Sales in West Sandy (84070), by far the largest trade area in South Valley, were on the rebound, rising 7 percent to \$1.22 billion in 2004. ZIP Code 84070 is a major growth area surrounding the South Town Mall and became the third largest ZIP Code trade area in Salt Lake County during 2004 [following South Salt Lake (84115) and Murray (84107)]. Retail Lumber store sales at \$48 million rose 8 percent in 2004. Department store sales of \$148 million fell 3 percent. New Car Dealer sales fell almost 2 percent to \$283 million. Fast-Food sales rose 13 percent and Theme Restaurant sales increased 10 percent in 2004.

3) Riverton or 84065 sales increased 20 percent as well in 2004. Grocery store sales rose to \$48 million, an increase of 18 percent, possibly due to all the new residential developments moving to the South Valley and even Northern Utah Valley. Fast-food Eating Place sales rose 13 percent, but Family Restaurant sales fell 14 percent in 2004.

4) Sales in the Cottonwood ZIP Code area (84121) fell nearly 17 percent in 2004. It appears that many of the sectors saw increasing sales in 2004, and yet the Nondisclosable sector fell 41 percent from \$176 million to \$103 million. This implies perhaps that a large retail store or utility may have moved its location or some other ZIP Code error may have come into play.

Utah County ZIP Code areas rose 11 percent in 2004 to \$4.09 billion. Utah County ZIP Code area sales are slightly below two areas in Salt Lake County now: 1) the Salt Lake City area at \$4.39 billion and 2) the South Valley area at \$4.17 billion. Twelve ZIP Code areas reported sales gains in double digits during 2004. Two areas reported gains between 5 percent and 10 percent, and three areas reported gains between 0 and 5 percent and two areas reported declining sales. Significant changes occurred in the following areas:

1) Lindon (84042), continued in its steep growth path, up almost \$70 million (43 percent) to \$230 million. Its five-year annual growth rate was 22 percent.

2) Lehi (84023), following a 13 percent increase in 2003, saw its sales drop almost 9 percent in 2004.

3) Sales in Payson (84651) rose 50 percent to \$128 million, possibly in response to the addition of a large, big-box store.

4) South Orem ZIP Code (84058), the largest trade area in Utah County, saw its sales bounce back from three consecutive declines with a near 7 percent increase to \$697 million. South Orem includes the University Mall.

5) The third largest trade area in Utah County, North Orem's 84057 reported sales of \$605 million, up 11.6 percent in 2004.

6) Sales rose 11 percent to \$618 in the second largest trade area in Utah County, Southwest Provo (84601) for the third year in a row. This was an important positive step, in contrast to the five-year average sales growth of 0.2 percent.

7) Sales were flat in North Provo (84604) at \$273 million. Sales peaked in 2001 at \$349 million.

Davis County direct sales were the second highest among the four Wasatch Front counties with a 9.8 percent growth rate percent in 2004. Significant changes occurred in the following areas:

1) Clearfield\Clinton (84015) saw its sales grow nearly 46 percent in 2004. New retail growth supplying the many new subdivisions west of I-15 are probably responsible for much of the growth.

2) Two smaller ZIP Code areas saw sales gains of around 70 percent in 2004. Sales in Freeport (84016) rose 77 percent and those in East Layton rose 70 percent during 2004.

3) Layton (84041), the largest trade area in Davis County, recorded sales of \$929 million, an increase of 6.5 percent. This performance beat the 5-year average of 3.5 percent by 3 percentage points.

4) The second largest trade area in Davis County, Bountiful (84010), following no growth in 2004, saw its sales rise nearly 6 percent to \$375 million.

5) Sales in North Salt Lake (84054) after stalling in 2003 rebounded 13 percent in 2004 to \$203 million, while sales in the automobile-related Woods Cross and West Bountiful (84087) rose 5 percent to \$247 million.

Weber County's direct sales of \$2.37 billion rose 8.8 percent, much stronger than its 5-year average of 3.2 percent. Significant changes occurred in the following areas:

1) Riverdale/Southeast Ogden (84405), the largest trade center in Weber County, reported sales of \$711 million, an increase of 9.5 percent over 2003.

1) Ogden – Main (84401), the second largest trade area in Weber County, saw sales bounce back almost to 2000 levels, with a growth rate of 9 percent to \$584 million. Sales peaked at \$591 million in 1997.

3) Right on Ogden-Main's heels, the Ben Lomond ZIP Code (84404) sales at \$530 million rose 8.4 percent in 2004.

3) Northeast Ogden (84414) sales rose at almost a 17 percent clip in 2004 to \$42 million. The five-year average here is almost 14 percent per year.

4) The hottest area was up in the Ogden Valley. Huntsville (84317) sales rose 22 percent to \$13.5 million, while sales in Eden (84310) fell back 9 percent.

5) South Ogden (84403), after watching sales fall three years in a row, reported a 12 percent gain in 2004.

TABLE 1. SALT LAKE COUNTY ZIP CODE SALES

(IN MILLIONS OF DOLLARS)		DIRECT	DIRECT	DIRECT	DIRECT	DIRECT	DIRECT	DIRECT	PERCENT	5 year
ZIP		SALES	SALES	SALES	SALES	SALES	SALES	SALES	CHANGE	(Compound)
ZIP CODE AREA	CODE	1998	1999	2000	2001	2002	2003	2004	03 to 04	% Change 99-04
<u>SALT LAKE CITY</u>										
Rose Park /Airport**	84116	478	509	489.3	537.6	468.0	585.0	1029.7	76.0%	15.1%
Westside	84104	636	642	618.9	603.2	579.8	612.1	767.3	25.4%	3.6%
West Downtown *	84101	936	914	967.3	987.9	913.6	810	836	3.2%	-1.8%
East Downtown **	84111	2210	2238	2320.5	2189	1865.6	2116	739.1	-65.1%	-19.9%
Avenues	84103	74.6	76	96.2	76.1	62.8	56.7	56.9	0.4%	-5.6%
Holy Cross	84102	263	275	282.9	270.5	312.2	303.8	314.7	3.6%	2.7%
N. Sugarhouse	84105	76.3	77.5	82.5	76.1	76.6	66.3	67.4	1.7%	-2.8%
Foothill	84108	174	144	147.9	177.6	232.9	179.7	153.1	-14.8%	1.2%
Sugarhouse	84106	393	418	441.7	418.5	441.4	409.4	421.6	3.0%	0.2%
Subtotal		5,241	5,294	5,447	5,337	4,953	5,139	4,386	-14.7%	-3.7%
<u>CENTRAL VALLEY</u>										
West Valley	84120	577	561	608.9	557.3	559.7	621.5	703.2	13.1%	4.6%
East West Valley	84119	1083	1087	1073	1127.5	1046.7	969.2	1098.1	13.3%	0.2%
S.W. West Valley	84128	10.6	11.7	14.4	15.5	18.4	13.6	16	17.6%	6.5%
Kearns	84118	349	346	341.1	321.3	305	296.7	319.2	7.6%	-1.6%
South Salt Lake	84115	1535	1584	1510	1489.7	1461.2	1443	1592.8	10.4%	0.1%
West Murray	84123	492	510	608	586.1	568.2	434.2	453.6	4.5%	-2.3%
Murray	84107	1363	1420	1396.6	1353.1	1297.5	1358.4	1438.3	5.9%	0.3%
Millcreek	84109	197	200	204	207.2	194.3	188.9	184.8	-2.2%	-1.6%
N. E. Holladay	84124	64.2	61.7	63.2	61.4	62.3	61.4	62.5	1.8%	0.3%
Holladay	84117	339	336	323.3	315.2	286.1	285.4	287.2	0.6%	-3.1%
Magna ****	84044	128	109.2	212.3	82.8	87.9	67.2	68.3	1.6%	-9.0%
Subtotal		6,138	6,227	6,355	6,117	5,887	5,740	6,224	8.4%	0.0%
<u>SOUTH VALLEY</u>										
West Jordan	84084	216	238	278.7	335.2	352.2	377.3	447.1	18.5%	13.4%
S. West Jordan	84088	249	284	347.5	329.3	467.7	506.2	519.4	2.6%	12.8%
South Jordan	84095	32	43	52.4	74.5	93	146	162	11.0%	30.4%
Riverton	84065	96.3	106.3	111.2	111.1	110.3	118.7	142.6	20.1%	6.1%
Midvale	84047	664	653	692.6	693.9	630.6	533.9	561.2	5.1%	-3.0%
Cottonwood	84121	345	347	380.6	383.5	386.7	404.9	337.9	-16.5%	-0.5%
West Sandy	84070	813	880	1010.1	1128.6	1195.3	1138.2	1221	7.3%	6.8%
Central Sandy	84094	83.8	90.5	91	92.4	70.8	59.6	69.8	17.1%	-5.1%
North Sandy	84093	38.8	54.7	59	58.9	61.3	64.6	63.6	-1.5%	3.1%
East Sandy	84092	152	141	206.1	234.8	236.8	245	272.6	11.3%	14.1%

Draper	84020	<u>246</u>	<u>265.5</u>	<u>297.4</u>	<u>300</u>	<u>323.8</u>	<u>308.5</u>	<u>370.7</u>	20.2%	6.9%
Subtotal		<u>2,936</u>	<u>3,103</u>	<u>3,527</u>	<u>3,742</u>	<u>3,929</u>	<u>3,903</u>	<u>4,168</u>	6.8%	6.1%
<u>GRAND TOTAL</u>		<u>14,315</u>	<u>14,623</u>	<u>15,329</u>	<u>15,196</u>	<u>14,769</u>	<u>14,781</u>	<u>14,778</u>	0.0%	0.2%

TABLE 2. DAVIS, UTAH & WEBER COUNTY ZIP CODE SALES

(IN MILLIONS OF DOLLARS)

ZIP CODE AREA	ZIP CODE	DIRECT SALES 1998	DIRECT SALES 1999	DIRECT SALES 2000	DIRECT SALES 2001	DIRECT SALES 2002	DIRECT SALES 2003	DIRECT SALES 2004	PERCENT CHANGE 03 to 04	5 Year (Compound) % Change 99-04
<u>DAVIS COUNTY</u>										
Bountiful	84010	354.1	344.9	341.2	347.9	354.7	354.3	374.9	5.8%	1.7%
Centerville	84014	160.6	199.9	203.9	196.9	196.8	219	221.7	1.2%	2.1%
Clearfield, Clinton	84015	124.4	128.2	136.4	134.1	138.1	139.6	203.2	45.6%	9.6%
Freeport	84016	28.8	30.6	31	25.5	30.1	22.1	39.2	77.4%	5.1%
Farmington	84025	69	75.1	81.2	76.8	67.7	64	64.3	0.5%	-3.1%
Kaysville, Fruit Heights	84037	107.3	120.8	117	114.5	125.5	133.3	143	7.3%	3.4%
East Layton	84040	17.2	14.5	18.7	16.9	15.8	16.9	28.7	69.8%	14.6%
Layton	84041	721.1	783.7	797.2	850.2	888.2	872.1	929.2	6.5%	3.5%
North Salt Lake	84054	142.2	150.1	164.7	169.4	180.4	179.4	202.9	13.1%	6.2%
Syracuse	84075	36.6	38.6	40	38.4	41.2	41.7	45.7	9.6%	3.4%
Woods Cross. W.Bountiful	84087	<u>193</u>	<u>191.7</u>	<u>203.6</u>	<u>228.6</u>	<u>235.3</u>	<u>235.1</u>	<u>247.4</u>	5.2%	5.2%
Subtotal		1,954	2,078	2,135	2,199	2,274	2,278	2,500	9.8%	3.8%
<u>UTAH COUNTY</u>										
American Fork	84003	278.5	295.3	311.5	342.9	337.2	379.8	458.8	20.8%	9.2%
Alpine	84004	7	8.6	7.2	7.8	7	6.6	10.7	62.1%	4.5%
Lindon	84042	55.7	84	114.3	128.9	143.6	161	229.8	42.7%	22.3%
Lehi	84043	108	118.1	134.1	147.5	152.2	172.2	157.4	-8.6%	5.9%
N. Orem	84057	606.8	605.6	587.2	547.2	547.8	542.3	605	11.6%	0.0%
S. Orem	84058	664.9	653.6	681.8	676.7	660.5	653	696.7	6.7%	1.3%
SE Orem	84097	29.4	52.5	117	146.3	179.4	195.5	220.7	12.9%	33.3%
Pleasant Grove	84062	65.8	88.7	89.5	86.3	104.4	113	126.2	11.7%	7.3%
SW Provo	84601	529.1	611.1	612	595.9	571.8	555.1	618.4	11.4%	0.2%
BYU	84602	33.7	30.7	32.7	36.7	29.1	32.9	29.4	-10.6%	-0.9%
Provo PO Boxes	84603	19.9	18.9	18.1	14.5	13.1	13.3	14.8	11.3%	-4.8%
N. Provo	84604	251.5	299.3	326.8	348.9	323.1	273.1	273.5	0.1%	-1.8%
SE Provo	84606	45.7	51.6	45.1	61.1	50.9	46.6	54.1	16.1%	1.0%
Payson	84651	67.4	74.6	76.7	89.3	89.7	85.2	127.7	49.9%	11.4%
Salem	84653	7.6	11.6	13.6	13.2	10	10.8	11.4	5.6%	-0.3%
Santaquin	84655	7.7	9	9.4	11	11.4	9.4	10.9	16.0%	3.9%
Spanish Fork	84660	186.3	204.3	221.6	212.7	197.4	195.6	204.5	4.6%	0.0%
Springville	84663	107.6	112.6	112.8	172.5	209.5	230.6	233.9	1.4%	15.7%
Mapleton	84664	<u>5.1</u>	<u>6.1</u>	<u>5.6</u>	<u>7.4</u>	<u>7.5</u>	<u>7.4</u>	<u>9</u>	21.6%	8.1%
Subtotal		3,078	3,336	3,517	3,647	3,646	3,683	4,093	11.1%	4.2%
<u>WEBER COUNTY</u>										
Roy	84067	144.8	145.5	151.1	142.1	148	153	156.2	2.1%	1.4%
Eden	84310	7.6	8	9.4	9.4	12.1	15.7	14.3	-8.9%	12.3%

Hooper	84315	6	6.5	6.2	7.1	10.8	10.4	9.3	-10.6%	7.4%
Huntsville	84317	4.2	4.7	7.3	10	9.8	11.1	13.5	21.6%	23.5%
Ogden - Main	84401	572.7	569.6	585.3	570	525.7	536	584.4	9.0%	0.5%
Ogden - P.O. Box	84402	12.8	13.3	15.7	14.9	12.7	10.5	8.4	-20.0%	-8.8%
South Ogden *	84403	281	300.2	319.4	317.6	285.9	263.6	295.8	12.2%	-0.3%
Ben Lomond **	84404	458.2	458.2	469.6	480.8	492.5	488.6	529.7	8.4%	2.9%
Riverdale\S.E.Ogden ***	84405	437	488.5	492.6	501.9	675.9	648.9	710.6	9.5%	7.8%
N.E.Ogden	84414	<u>10.7</u>	<u>22.4</u>	<u>26</u>	<u>29</u>	<u>34.7</u>	<u>36.3</u>	<u>42.3</u>	16.5%	13.6%
Subtotal		<u>1,935</u>	<u>2,017</u>	<u>2,083</u>	<u>2,083</u>	<u>2,208</u>	<u>2,174</u>	<u>2,365</u>	8.8%	3.2%
<u>GRAND TOTAL</u>		6,967	7,431	7,735	7,929	8,128	8,135	8,958	10.1%	3.8%